

**VA****U.S. Department  
of Veterans Affairs**

# News Release

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Media RelationsWashington, DC 20420  
(202) 461-7600  
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*Washington, D.C.* -- All benefits payments to veterans, their dependents, and survivors from the Department of Veterans Affairs (VA) will be electronically deposited into their bank accounts by 1999.

Under the Debt Collection Improvement Act of 1996, all federal agencies are required to use Electronic Funds Transfer (EFT) methods to transfer funds to their benefits recipients. The act requires that this be accomplished by Jan. 2, 1999. Nearly 60 percent of VA's benefits recipients already participate in the department's Direct Deposit program.

"EFT is an efficient, safe way for veterans to receive their monthly benefits," said Hershel Gober, VA Secretary-Designate. "They do not have to worry about checks being lost in the mail or misdelivered, and they can count on their payments being in their accounts on time every month."

EFT recipients do not have to be concerned about checks sitting unprotected in a mailbox, and the electronic payments are virtually crime-free compared with more than \$60 million in forged, counterfeit and altered government checks annually.

Individuals who do not have an account with a financial institution will need to participate in a governmentwide program called the Electronic Benefit Transfer (EBT) program. Benefit recipients will be assigned an account in their name at a federally insured financial institution that allows them to access their funds at a reasonable cost and has the same consumer protections as other accounts at the same financial institution. Details on the operation of the program, including how these accounts will be made available, are now being developed by the Department of the Treasury.

Waivers will be available for veterans with disabilities which make using EFT unfeasible or who confront geographic barriers preventing them from receiving their payments electronically. The Debt Collection Improvement Act also pertains to all other types of checks issued by VA, including payroll, vendor and insurance checks. Waivers for electronic issuance of such checks are also available.

The Department of the Treasury published a proposed rule September 15 in the Federal Register on implementing the act governmentwide. The proposed rule is available for public comment until Dec. 16, 1997. Copies of the proposed rule and background information on EFT are posted on the Internet at [www.fms.treas.gov/eft/](http://www.fms.treas.gov/eft/).